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Title: Need to reduce GST rate for Match Industry.

SHRI T. RADHAKRISHNAN (VIRUDHUNAGAR): Match industry is one of the important industries in the country. It is best suited to the cottage sector. Being labour intensive, it creates employment opportunities on a substantial scale for village people. Thus this industry has a great social-economic significance.

Tamil Nadu contributes a major portion of the total Match production in the country. In Tamil Nadu, Virudhunagar district is the leading match producing centre. This industry gives employment to more than one lakh workers. Virudhunagar district being a drought prone area, this industry is the only source of livelihood for lakhs of people. Our former Chief Minister had extended full support for the development and prosperity of Match Industry.

The Match Industry has been paying tax of 6% CENVAT and 4-5% Sales Tax. During GST regime, the tax has been fixed at 18% on safety Matches which is severely affecting the industry which is selling an essential product at a very cheap price of Rs. 1- per box. Match Box price has been remaining at Rs. 1 for the last 10 years and there is no scope for increasing the price. The 18% GST is severely affecting the industry and thus leads to tax-evasion on a large scale. Due to high GST rate many match industry have been shut down, making the workers jobless.

Considering the grave problem faced by Match industry in my constituency, I call upon the government for reduction of GST on Safety Matches from 18% to 12%.